

**AT A REGULAR MEETING OF THE MONTGOMERY COUNTY PUBLIC SERVICE  
AUTHORITY, HELD ON THE 6<sup>TH</sup> DAY OF APRIL 2009, 7:00 P.M., COUNTY  
ADMINISTRATION CONFERENCE ROOM, MONTGOMERY COUNTY GOVERNMENT  
CENTER, CHRISTIANSBURG, VIRGINIA:**

<b>PRESENT:</b>	Gary Creed	-Chair
	James Politis	-Vice Chair
	Mary Biggs	-Secretary-Treasurer
	Annette Perkins	-Member
	John Muffo	-Member
	William Brown	-Member
	Doug Marrs	-Member
	Robert C. Fronk	-PSA Director
	Linda Pendleton	-Senior Program Assistant
	Carol Edmonds	-Interim County Administrator
	Marty McMahon	-County Attorney

**CALL TO ORDER**

Chair Creed called the meeting to order and determined that a quorum was present.

**PUBLIC ADDRESS SESSION**

Gladys Hughes, Mt. Tabor Road, spoke on behalf of her neighbors of Mount Zion Road, Old Creek Road and Glade Road. She requested the Board reconsider providing water to this area. She stated that the water is very bad and is possibly contaminated due to coal mining in the area. She asked that the Board review the sample tests that were performed years ago and see if there is any way that the PSA can get water to this area. She has communicated with Congressman Boucher, and he will support any grant funding programs. Ms. Hughes informed the Board that she would try and contact homeowners in these areas to see how many will participate in a project to get water to this area.

The Director told Ms. Hughes that he would research the study prepared years ago for this area, and he would contact her in the near future.

**CONSENT AGENDA**

On a motion by Mary Biggs, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the Consent Agenda, dated April 6, 2009.

The vote on the foregoing motion is as follows:

<b>AYE</b>	<b>NAY</b>	<b>ABSENT</b>
John Muffo		
James Politis		
Annette Perkins		
William Brown		
Doug Marrs		
Mary Biggs		
Gary Creed		

**APPROVAL OF MINUTES  
FEBRUARY 2, 2009 & MARCH 23, 2009**

On a motion by Mary Biggs, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the minutes of February 2, 2009 and March 23, 2009.

**R09-04-1  
RESOLUTION APPROVING  
DEED OF EASEMENT – CMH HOMES, INC.  
SPRINGVIEW SUBDIVISION LOT 15  
PUBLIC WATERLINE EASEMENT**

On a motion by Mary Biggs, seconded by William Brown, and carried; IT WAS RESOLVED, by the Board of Directors of the Montgomery County Public Service Authority, that the Board of Directors hereby agree to accept the proposed Deed of Easement from CMH Homes, Inc., conveying a 1420.01 square foot permanent, public water easement to the Montgomery County Public Service Authority for the purpose of locating a water line on property identified as Tax Map No. 090-C 19 15 located in the Riner Magisterial District of the County of Montgomery. The Deed of Easement is hereby attached and made a part of this Resolution by reference.

BE IT FURTHER RESOLVED, that the Chair of the Montgomery County Public Service Authority is hereby authorized to sign the above referenced Deed of Easement for the purpose of acknowledging acceptance of the Easement on behalf of the Board of Directors of the Montgomery County Public Service Authority.

**INTO WORK SESSION**

On a motion by Annette Perkins, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority hereby enters into Work Session for the purpose of discussing the following:

- A. FY 2009-2010 Budget

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		
James Politis		
Annette Perkins		
William Brown		
Doug Marrs		
Mary Biggs		
Gary Creed		

**OUT OF WORK SESSION**

On a motion by William Brown, seconded by Annette Perkins, and carried; IT WAS RESOLVED, that the Public Service Authority hereby ends their Work Session to return to Regular Session.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		
James Politis		
Annette Perkins		
William Brown		
Doug Marrs		
Mary Biggs		
Gary Creed		

**APPROVE POLICY RELATING TO INSERTS IN UTILITY BILL MAILINGS**

**R09-04-2  
RESOLUTION APPROVING  
UTILITY BILL MAILING INSERTS POLICY**

On a motion by Mary Biggs, seconded by James Politis, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the following policy relating to inserts in PSA utility bill mailings:

**Utility Bill Mailing Inserts Policy**

Governmental agencies may place governmental related notices, flyers, surveys, etc. in the PSA utility (water & sewer) bill mailings provided the requesting agency pays all costs associated with printing, handling, postage, etc. including any additional billing costs incurred by the PSA for including the insert in the billing. The PSA Director shall approve all requests and items to be included in the utility bill mailings.

Payments for the estimated additional cost shall be made prior to the mailing, and refunds or bill for additional costs shall be made after receipt of the actual invoice for the mailing from the PSA Contractor performing such service.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		
James Politis		
Annette Perkins		
William Brown		
Doug Marrs		
Mary Biggs		
Gary Creed		

**APPROVE MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY IDENTITY THEFT PREVENTION PROGRAM**

**R09-04-3  
RESOLUTION APPROVING MONTGOMERY COUNTY  
PUBLIC SERVICE AUTHORITY IDENTITY THEFT  
PREVENTION PROGRAM**

On a motion by Mary Biggs, seconded by James Politis, and carried, IT WAS RESOLVED, that pursuant to the Federal Trade Commission's Red Flags Rule, which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003, the Montgomery County Board of Directors has determined that a Program is appropriate for the nature and scope of the Authority's activities; and,

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors hereby approves and adopts the Montgomery County Public Service Authority Identity Theft Prevention Program. The Identity Theft Prevention Program is hereby attached and made a part of this resolution by reference.

BE IT FURTHER RESOLVED, that the PSA Director is authorized to implement this program and work with Finance personnel on training in order to comply with said program.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		
James Politis		
Annette Perkins		
William Brown		
Doug Marrs		
Mary Biggs		
Gary Creed		

#### **ADDITION OF NEW WATER REVENUE LINE ITEM TO PSA BUDGET**

##### **R09-04-4 RESOLUTION AUTHORIZING ADDITION OF NEW WATER REVENUE LINE ITEM TO PUBLIC SERVICE AUTHORITY BUDGET**

On a motion by James Politis, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority hereby authorizes the addition of a new water revenue line item to the Public Service Authority budget for Fire Hydrant Availability Fees; and, authorizes the PSA Director to work with the Finance Director to establish the line item.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		
James Politis		
Annette Perkins		
William Brown		
Doug Marrs		
Mary Biggs		
Gary Creed		

#### **FINANCIAL REPORT**

The Financial Report for period ending March 31, 2009 was presented for review and discussion.

#### **DIRECTOR'S REPORT**

The Director discussed the following items:

1. Monthly Activities Report  
The March 2009 report was presented for review and discussion.

2. **Site Damage to Montgomery County Park at Old Bethel School Site**  
On January 29, 2009, PSA maintenance crew experienced a water main break while installing a water meter service for the new Montgomery County Park at the old Bethel school site. The 12-inch water main had been installed with a bend in the plastic pipe which caused the pipe to split once the hole for the tap was made. This break released a large volume of water which washed out portions of the parking lot base and deposited the washed out material elsewhere on the site. The crew could not have known that the pipe was installed in a bend as they only uncovered a small section of pipe (+/- 3') in which to make the tap.  
The Director has been in contact with the Parks Director to coordinate repairs and is waiting for a written estimate for repairs from the contractor who originally worked on the site, and plans on turning this work into the PSA's insurance company as a claim.
3. **Projected Loss of Revenue from Closing of VDOT I81 Rest Stops**  
Due to the recent budget shortages, VDOT has proposed numerous budget cuts including closing the three I81 rest stops in Montgomery County. All three rest stops, North and Southbound near Radford and the Ironto Northbound purchase water and sewer service from the PSA.  
Based upon the last 12 month averages, the total net loss of revenue for all three is about \$92,000 per year (\$168,000 total revenue - \$76,000 bulk purchases & treatment costs).
4. **Prices Fork Water System Supply**  
The PSA continues to use the backup water supply from the Town of Blacksburg in the Prices Fork Water system. The switchover was made on January 21, 2009 as the RAAP was unable to overcome their water system leaks while maintaining adequate supply to the PSA.  
Staff has been in recent contact with RAAP and will consider switching back in early April if recent RAAP water system conditions/trends continue.
5. **Blacksburg-VPI Sanitation Authority Proposed Rate Increase**  
At their February 17, 2009 board meeting, the Blacksburg-VPI Sanitation Authority (BVPISA) approved advertising a \$0.11 / 1,000 gallon rate increase for inclusion in the FY10 budget. The BVPISA is experiencing lower revenues than projected due to reduced flows from less inflow and infiltration (I&I) as a result of lower than normal rainfall.  
During their March 17, 2009 meeting, the BVPISA indicated that they are considering refinancing their current debt in order to reduce expenditures, and if practical, they may not increase rates.
6. **Plum Creek Water Leak**  
As part of the ongoing Plum Creek water system leak study, PSA Staff identified a water line section with a large leak along Rock Road. Per normal procedure, the service saddles (3 total) were replaced, but the large leak remained. At this point, a contractor was brought in and he pinpointed the leak on February 5, 2009. On February 10, 2009, PSA Staff excavated the leak and discovered that it was an improperly installed pipe joint from the initial pipe installation. After repair it was determined that this leak accounted for a loss of about 35,000 gallons per day.  
A request for a leak adjustment was sent to the Radford City Manager on February 16, 2009. During March 2009, our water loss in this system was 14% during which time we experienced a water main break and flushing of water mains. The previous water loss was 46%.
7. **VDH Planning Grant for the Plum Creek Water System Leak Study**  
The PSA was notified by letter dated January 12, 2009 (received 1/20) that we have been selected for award of a Virginia Department of Health (VDH) Planning/Design Grant in the amount of \$35,000 to perform leak/loss study and improvements in the Plum Creek water system. On February 13, 2009, the Director issued a Request for Proposal (RFP 09-33) for Engineering Services which included the language required by VDH relative to solicitation of Minority and Women-owned Business Enterprises (MBE/WBE) under the grant program.  
The recent corrections to the Plum Creek system negate the need for this study in that system. Preliminary conversations with VDH, indicate that they are willing to consider transferring the grant to another PSA water system for the same purpose. The Director is currently submitting a formal request to transfer the grant to perform a similar water loss study in the Christiansburg to Elliston system.

8. DEQ – Sewer Federal Stimulus Program  
The DEQ posted the list of received Stimulus Applications and their draft “Project Priority List” of the selected projects. The Director presented a copy of the list. The requested funding of the project priority list exceeds the available funding because DEQ feels “some projects may drop out or be reduced in funding.” None of the projects submitted by the PSA made the project priority list.
9. VDH – Water Federal Stimulus Program  
The PSA Director completed and submitted five water projects for consideration to VDH by the March 27, 2009 deadline. Projects submitted were Water Meter Replacements, McCoy Road Water Line Replacement, Council Lane-Honeysuckle Lane-Oilwell Road Water Line Replacement, Riffe Street Water Line Replacement and Old Roanoke Road Galvanized Water Line Replacement.  
It is uncertain when VDH will post their project priority list identifying their project selections.
10. Mid-County Sewer Replacement Project  
The contractor for this project has indicated that he will start construction this month and expects to complete this project within 30 days. This project is to relocate a section of sewer under excessive fill in the Duncan site and to replace a section of improperly relocated sewer during the Rt. 460 By-pass project.
11. PSA District Operations  
Staff has been evaluating localizing water and sewer operations to two operational districts by using PSA personnel to perform all water and sewer operations within their district. Currently, we have overlap of responsibility for water or sewer activities within these areas. This operating procedure will require cross-training of operators in order to perform all activities in their assigned districts.  
It is hoped that this change in operations will reduce overall daily travel times, duplication of activities, total personnel time spent on these activities and vehicle operating costs.  
The Water Manager, Wastewater Manager and PSA Director have set up the initial program and plan to initiate district operations during April 2009.

#### **AUTHORITY MEMBERS’ REPORT**

There were no reports from Authority members.

#### **INTO CLOSED MEETING** (In at 8:09 p.m.)

On a motion by Doug Marrs, seconded by James Politis, and carried; IT WAS RESOLVED, that the Public Service Authority hereby enters into Closed Meeting for discussion of the following:

- |                  |  |
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| Section 2.2-3711 | <ol style="list-style-type: none"><li>(7) Consultation with Legal Counsel and Briefings by Staff Members or Consultants Pertaining to Actual or Probable Litigation, Where Such Consultation or Briefing in Open Meeting Would Adversely Affect the Negotiating or Litigating Posture of the Public Body; and Consultation with Legal Counsel Employed or Retained by a Public Body Regarding Specific Legal Matters Requiring the Provision of Legal Advice by Such Counsel<ol style="list-style-type: none"><li>1. Sewer Agreement – Town of Christiansburg – Pepper’s Ferry Road</li><li>2. Water &amp; Sewer Negotiations – City of Radford – Rock Road West</li></ol></li><li>(1) Discussion, Consideration or Interviews of Prospective Candidates for Employment; Assignment, Appointment, Promotion, Performance, Demotion, Salaries, Disciplining or Resignation of Specific Officers, Appointees or Employees of Any Public Body<ol style="list-style-type: none"><li>1. Director’s Evaluation</li></ol></li></ol> |
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The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		
James Politis		
Annette Perkins		
William Brown		
Doug Marrs		
Mary Biggs		
Gary Creed		

**OUT OF CLOSED MEETING**      (Out at 9:15 p.m.)

On a motion by Mary Biggs, seconded by James Politis, and carried; IT WAS RESOLVED, that the Public Service Authority hereby ends their Closed Meeting to return to Regular Session.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		
James Politis		
Annette Perkins		
William Brown		
Doug Marrs		
Mary Biggs		
Gary Creed		

**CERTIFICATION OF CLOSED MEETING**

On a motion by Mary Biggs, seconded by James Politis, and carried; IT WAS RESOLVED, that the Public Service Authority of Montgomery County has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certification by the Board that such Closed Meeting was conducted in conformity with Virginia law.

NOW, THEREFORE BE IT RESOLVED, that the Public Service Authority does hereby agree, that to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the meeting to which this certification resolution applies; and (ii) only public business matters as were identified in the motion conveying the Closed Meeting were heard, discussed or considered by the Authority.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		
James Politis		
Annette Perkins		
William Brown		
Doug Marrs		
Mary Biggs		
Gary Creed		

## **ADJOURNMENT**

On a motion by James Politis, seconded by John Muffo, and carried; IT WAS RESOLVED, that the Public Service Authority does hereby adjourn to the next meeting scheduled for May 4, 2009.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		
James Politis		
Annette Perkins		
William Brown		
Doug Marrs		
Mary Biggs		
Gary Creed		